

GROUPAMA'S CREDIT UPDATE

17 December 2013



Groupama

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A **Groupama today**

B *2011-2013: key decisions*

C *Groupama going forward*



Groupama

Leading insurance company with a strong client franchise

Extensive distribution network in France

A Group with a grassroots history and presence:

- ▶ 9 regional mutuals
- ▶ 2,100 Groupama branches
- ▶ 1,000 Gan Assurances branches
- ▶ 500 Gan Patrimoine agents
- ▶ 1,000 Gan Prévoyance advisers
- ▶ 1,000 brokers partners in life group insurance

Leader (top 3) in P&C / Health / Protection:

- ▶ No. 1 in individual health
- ▶ No. 1 insurer in agriculture
- ▶ No. 2 in motor insurance and protection
- ▶ No. 3 in home insurance

Diversification in Europe and Asia

Present in 11 countries

- ▶ 20% of Group's total premiums
- ▶ A strong presence in Italy, Hungary and Romania
- ▶ And well established in markets with high potential, Turkey and China

Loyal customer base as demonstrated in recent years

13 million customers worldwide:

- ▶ 7 million members and customers in France
- ▶ 6 million customers outside of France

34,000 employees worldwide:

- ▶ 26,000 employees in France
- ▶ 8,000 employees outside France

Figures at end December 2012

Groupama – combined perimeter

→ *A major insurance group with a strong balance sheet*

<i>In €m</i>	31/12/2012	30/06/2013
Revenues	14,197	9,217
Net income	-589	187
Total assets	94,753	96,098
Shareholders' equity	6,280	6,458
Group solvency margin ⁽¹⁾	179%	170%
Debt-equity ratio	28.5%	28.0%

⁽¹⁾ According to Solvency I

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Key actions implemented following 2011 financial crisis
with risk control at the heart of governance

- ▶ Redefine business scope
- ▶ Implement asset de-risking
- ▶ Proactively cut costs
- ▶ Increase profit in core businesses:
 - enhance profitability in P&C
 - shift business mix in L&H

▶ In France

Gan Eurocourtage

- ▶ Transfers of the French P&C portfolio and the marine business

Groupama Private Equity

- ▶ Sale of the private equity company and the direct funds

▶ Outside France

Groupama Seguros

- ▶ Sale of the Spanish subsidiary

Proama, Poland

- ▶ Sale of the Polish direct insurance activity

Operations in the UK

- ▶ Sale of Groupama Insurance
- ▶ Sales of brokers

➔ ***Objectives achieved and business scope stabilised***

B Key decisions

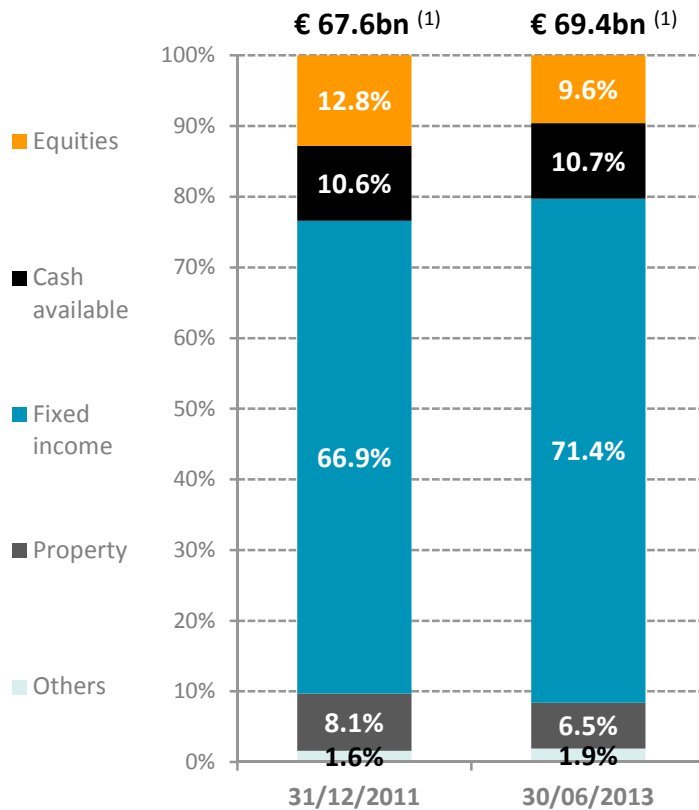
Asset de-risking

➔ Reduce asset risks

➔ Diversify investments

➔ Hedge against volatility

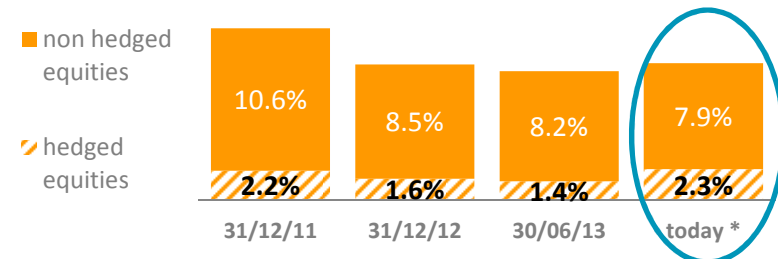
Breakdown of the asset portfolio ⁽¹⁾



Unrealised capital gains or losses

In billions €	31/12/2011	31/12/2012	30/06/2013
Bond portfolio	- 2.9	2.5	1.4
Equity portfolio	- 0.7	0.6	0.6
Property assets	2.6	2.0	2.0
Total	- 1.0	5.1	4.1

Decreased and hedged equity portion



- ▶ A 30% decrease in cost value over the period
 - including a 50% decrease in strategic shareholdings

⁽¹⁾ Fair value excluding unit linked, repurchase agreements and minorities

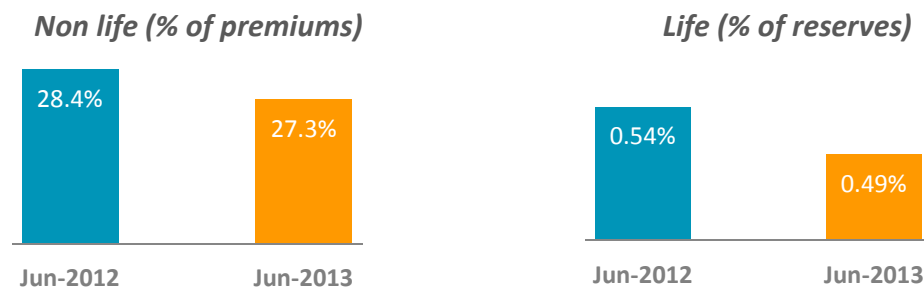
* estimated figures

- ▶ A programme intended for the long term

- ▶ At the Group level
- ▶ In all entities
- ▶ On all cost items
 - Trade-offs on the brand communications
 - Decrease in IT and logistic costs
 - Optimisation in procurement
 - Implementation of voluntary redundancy plans in 5 entities of the Group

- ▶ Already yielding results after 18 months

- ▶ 6.5% decrease in volume in the group's overhead costs at end 2012 (YoY): €180m
- ▶ 3.3% at end June 2013: additional €40m
- ▶ Decrease in cost ratio since end 2011

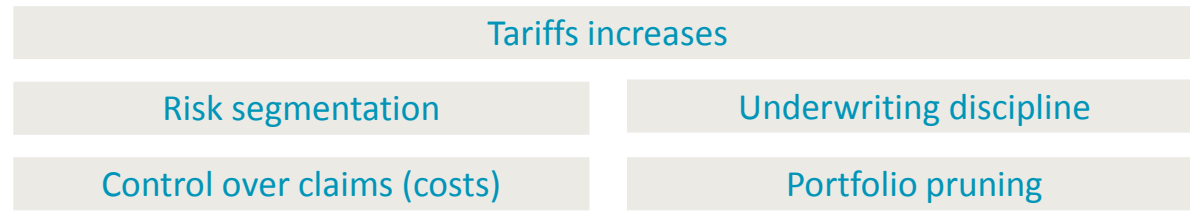


B Key decisions

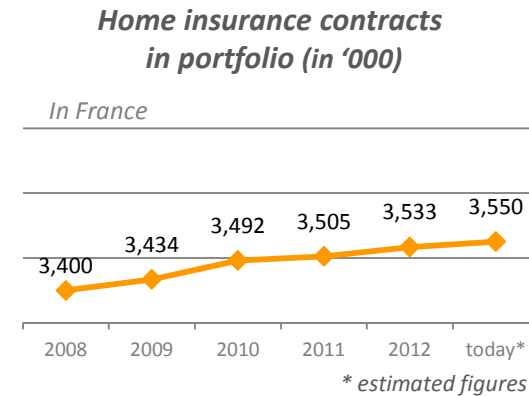
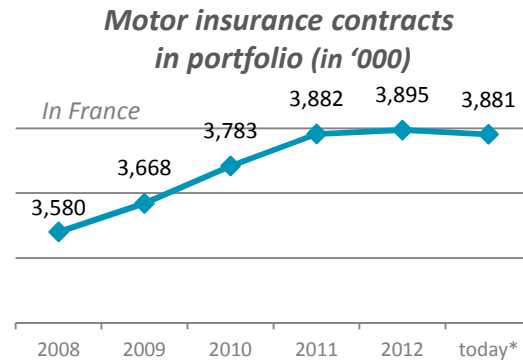
Enhanced profitability in P&C

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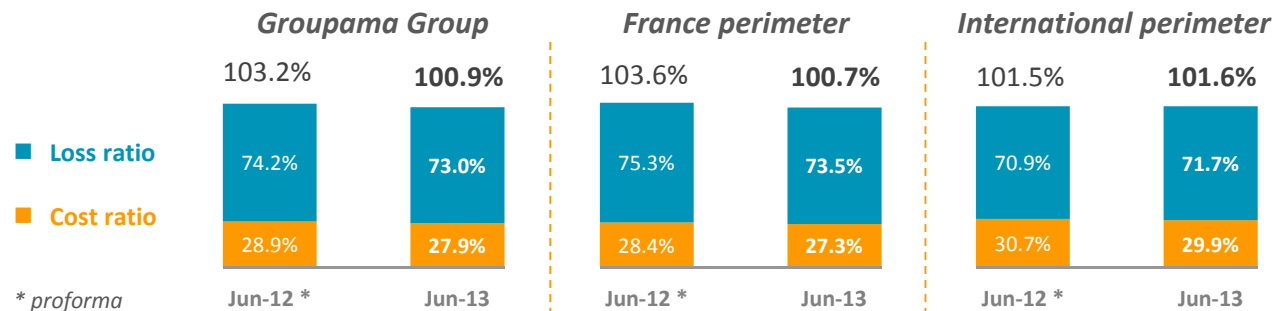
- ▶ Full range of actions



- ▶ Stabilised portfolios



- ▶ Improved non life combined ratios



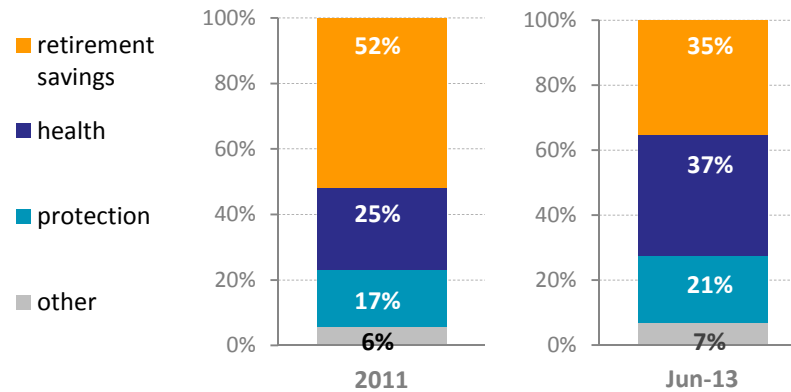
B Key decisions

Shift of business mix in L&H

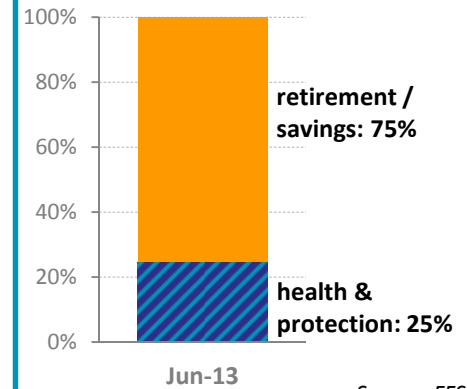
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- ▶ Top priority given to both health & protection businesses

L&H insurance product mix

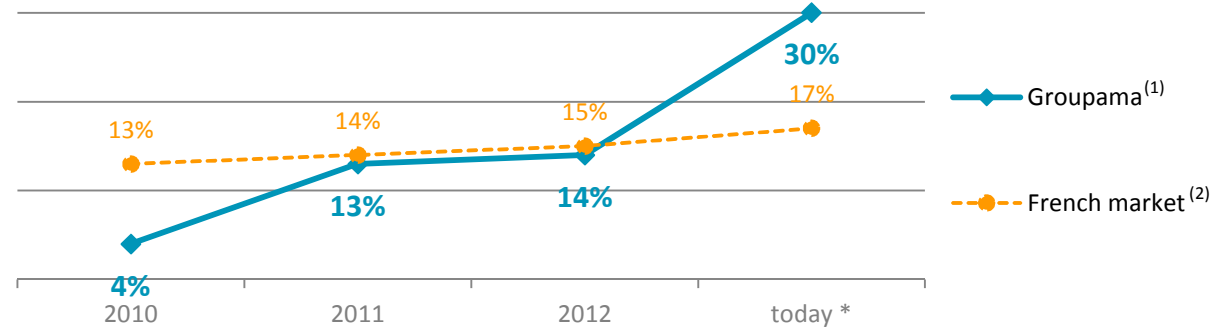


French market mix



- ▶ Strong business incentives to favour sales of U/L

% U/L in revenue (France)



⁽¹⁾ individual savings

⁽²⁾ retirement & savings (FFSA)

* estimated figures

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▶ Key assets ...

- Strong and resilient franchise
- Strengthened balance sheet and liquidity position
- New governance and management approach
- Potential diversifications of sources of capital: issuance of “certificats mutualistes”

▶ ... acknowledged by the market

- Professionals of great renown joined the Group’s management team
- Change in market perception of Groupama

▶ ... and a clear strategy

- Focused on:
- Customer satisfaction
 - Talent management
 - Profitability
 - Risk control

APPENDICES

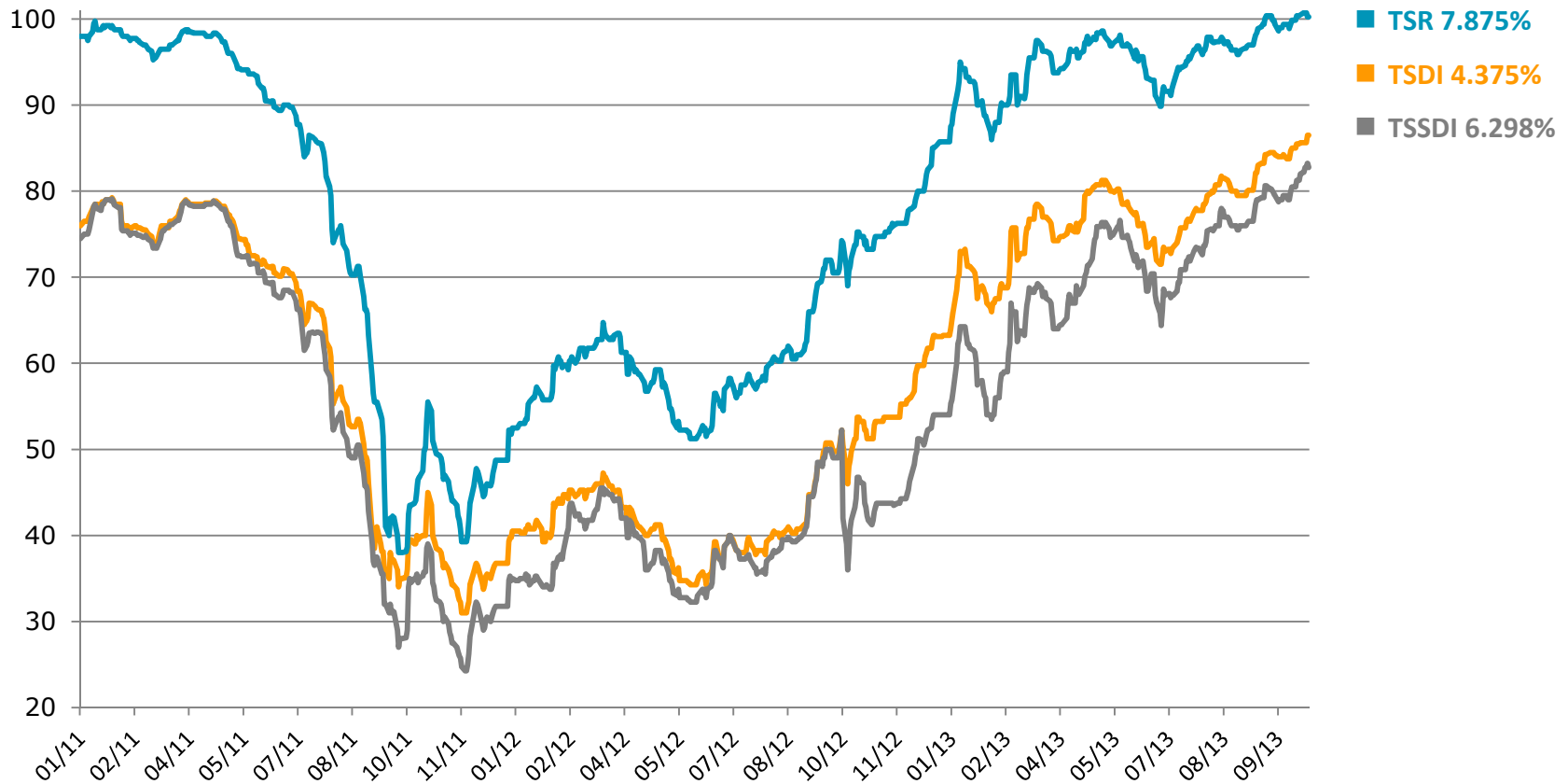


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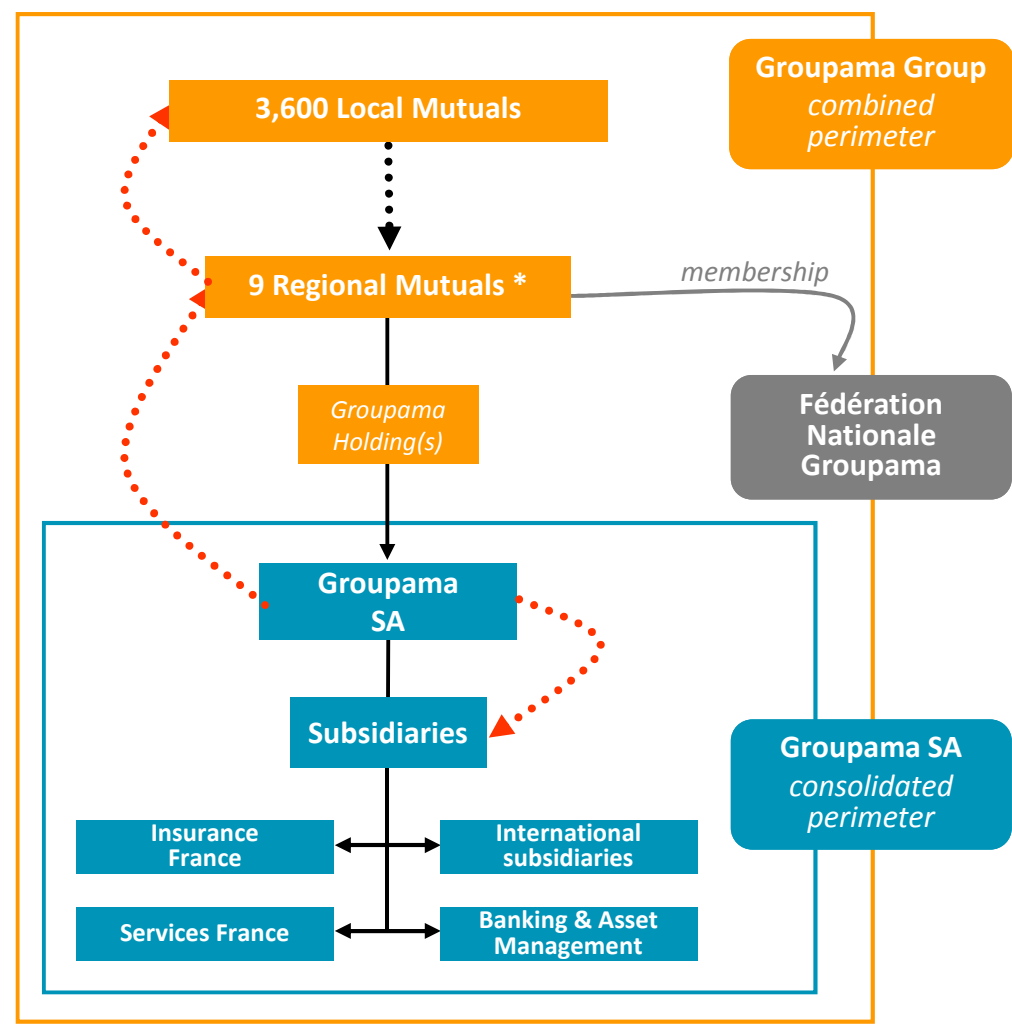
Groupama SA subordinated debt instruments

Historical prices



Source: Bloomberg

Groupama: organisational chart



→ control / shareholding
 ...→ reinsurance relationship

(*) + 2 specialised and 2 overseas mutuals



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